

Message Text

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CIAE-00 COME-00 EB-11 FRB-02 INR-10 NEA-14 NSAE-00

RSC-01 OPIC-12 SP-03 TRSE-00 CIEP-02 LAB-06 SIL-01

SWF-02 OMB-01 AGR-20 STR-08 DODE-00 DOTE-00 FMC-04

CG-00 COA-02 DLOS-07 PRS-01 PA-04 USIA-15 OIC-04 L-03

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INFO AMEMBASSY MEXICO

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E.O. 11652: N/A

TAGS: ETRN, OECD

SUBJECT: MARITIME TRANSPORT COMMITTEE, MAY 15-16

REF: 1) USOECD 11914; 2) USOECD 11936; 3) STATE 98841;
4) STATE 101143

SUMMARY: IN 2-DAY MEETING, MTC FOCUSSED MAINLY ON UNCTAD SHIPPING ISSUES, NOTABLY ASSESSMENT OF RECENT UN CONFERENCE ON CODE OF CONDUCT FOR LINER CONFERENCES AND OECD INVISIBLES COMMITTEE STUDY ON COMPATIBILITY OF UNCTAD CODE OF CONDUCT WITH OECD LIBERALIZATION CODE. SEE ACTION REQUESTED PARA 4.C. END SUMMARY.

1. UNCTAD - CODE OF CONDUCT. AFTER SUMMARY REPORT ON UN CONFERENCE ON CODE PROVIDED BY CHAIRMAN OF MTC SPECIAL GROUP ON UNCTAD (MCQUEEN, UK) AND VARIOUS GROUP B COORDINATORS (HINZ, FRG AND MCANGUS, CANADA), CONFERENCE RAPPORTEUR (ANTOUN, US), SEVERAL DELS (JANSSEN, NETHERLANDS; BERNARD, FRANCE; VOSS, SWEDEN; WEBB, US; HAWES, AUSTRALIA; DALSTO, NORWAY) COMMENTED ON AFTERMATH OF CODE. JANSSEN PLACED EMPHASIS ON REALITY OF CODE AND WARNED AGAINST OPTIMISM THAT IT WOULD NOT ENTER INTO FORCE OR BE IMPLEMENTED BY LDCE. VOSS, DALSTO, AND WEBB EMPHASIZED ADVERSE PRECEDENTIAL EFFECTS OF CODE AND ADVERSE CIRCUMSTANCES UNDER WHICH IT NEGOTIATED, ALTHOUGH WEBB REITERATED US RECEPTIVITY TO IDEA OF ACCEPTABLE CODE AND US EFFORTS AT GENEVA TO ACHIEVE THIS. BERNARD ATTEMPTED TO COUNTER SOME OF CRITICISMS (E.G. PROCEDURES, LACK OF UNIVERSALITY) BY STRESSING THAT THEY REPRESENT CIRCUMSTANCES TYPICAL OF INTERNATIONAL NEGOTIATIONS.

2. REPORT FROM OECD INVISIBLES COMMITTEE (IC) SECRETARY SCHLEPERGRELL ON IC INQUIRY INTO POSSIBLE CONFLICT BETWEEN CARGO-SHARING PROVISIONS OF CODE OF CONDUCT AND NON-DISCRIMINATION REQUIREMENT OF OECD CODE OF LIBERALIZATION PRODUCED PREDICTABLE REACTIONS FROM MTC DELS. THOSE WHICH VOTED IN FAVOR OF CODE OF CONDUCT (NOTABLY FRANCE AND GERMANY) CRITICIZED IC HASTE WHILE ANTI-UNCTAD CODE DELS (NOTABLY UK, GREECE, SWITZERLAND, AND NORWAY) STRESSED TIMELINESS OF IC EFFORT IN LIGHT OF LIMITED OFFICIAL USE

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UNCTAD CODE BEING OPEN FOR SIGNATURE AS OF JULY 1. IT AGREED THAT MTC SHOULD COMMENT ON RESULTS OF IC INVESTIGATION. TO THIS END NEXT MTC SPECIAL GROUP MEETING (JUNE 25-28) WILL REVIEW REPORT EMANATING FROM SPECIAL IC MEETING OF JUNE 5. SPECIAL GROUP COMMENTS INTENDED MAINLY FOR FALL MTC MEETING BUT WILL BE ALSO PASSED INFORMALLY TO IC FOR ITS INFO. IT ANTICIPATED THAT IC REVIEW TOGETHER WITH MTC INPUT, WILL EVENTUALLY RESULT

IN REPORT OR RECOMMENDATION TO OECD COUNCIL. COMMENT:
OECD FINDING OF INCOMPATIBILITY BETWEEN TWO CODES COULD
HAVE SOME DETERRENT EFFECT ON POSSIBLE SIGNATURE BY
MORE WOBBLY OECD COUNTRIES (E.G. BELGIUM, FRG, NETHER-
LANDS, JAPAN) WHICH VOTED FOR OR ABSTAINED ON LINER CODE.

3. JANSSEN PROPOSED THAT OECD UNDERTAKE STUDY OF ECONO-
MIC AND LEGAL IMPLICATIONS OF CODE OF CONDUCT. AFTER
CONSIDERABLE DISCUSSION OF SCOPE OF STUDY AND EXPRESSION
OF FRENCH SKEPTICISM, MTC AGREED AS FOLLOWS: SECRETARIAT
WILL PREPARE BRIEF PAPER ON POSSIBLE TERMS OF REFERENCE
FOR STUDY, WHICH WILL BE REVIEWED AND FINALIZED BY
MTC SPECIAL GROUP DURING ITS NEXT MEETING (JUNE 25-28).
SECRETARIAT SPECIAL GROUP PAPER WILL BE LIST OF QUES-
TIONS, TO BE ANSWERED BY GOVERNMENTS, ON "PROBLEMS
ENVISAGED BY MEMBER COUNTRIES IN APPLICATION AND IM-
PLEMENTATION OF CODE." SOME OF EXPECTED ISSUES WILL
COVER: BALANCE OF PAYMENTS IMPACT; ECONOMIC AND COMMER-
CIAL DIFFICULTIES FOR SHIPPING LINES; INTERNAL LEGAL
PROBLEMS; PROBLEMS BETWEEN CONTRACTING AND NON-CONTRACT-

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ING STATES. GOVERNMENT COMMENTS WILL BE DUE SEPTEMBER 1.
. SECRETARIAT WILL SYNTHESIZE REPLIES IN DOCUMENT TO BE
REVIEWED BY MTC IN FALL SESSION.

4. OTHER UNCTAD AND UN MATTERS

A. UNGA SPECIAL SESSION. MTC DELS PROVIDED BRIEF
DESCRIPTIONS VIEWS THEIR RESPECTIVE GOVERNMENTS ON
SHIPPING PROVISIONS IN "NEW ECONOMIC ORDER AND SPECIAL
PROGRAM" ADOPTED AT RECENT UNGA SPECIAL SESSION. ALL
DELS WHO HAD INFO TO REPORT (UK, DENMARK, SWEDEN, FRG,
FRANCE, CANADA, JAPAN, NETHERLANDS, AND US) HAD ENTERED
RESERVATIONS ON PROVISION ON CODE OF CONDUCT AND
SEVERAL ALSO HAD RESERVED ON FREIGHT RATE PROVISION.
FRANCE AND FRG EXPLAINED THEIR RESERVATION ON CODE
PROVISION BASED ON FACT THAT CONVENTION ON CODE HAD
SELF-CONTAINED ENTRY INTO FORCE PROVISIONS AND IT IN
APPROPRIATE FOR UNGA TO "SECOND-GUESS" THIS PROVISION.

B. CHARTER OF ECONOMIC RIGHTS AND DUTIES OF STATES.
MTC BRIEFLY REVIEWED LDC PROPOSALS FOR SHIPPING AND
INSURANCE PROVISIONS IN CHARTER AND AGREED AS FIRST
CHOICE TO ATTEMPT OBTAIN DELETION AND US AS SECOND CHOICE
TO IMPROVE LANGUAGE. AS THIRD CHOICE CHINESE PROPOSAL

LOOKED LEAST OFFENSIVE AMONG THREE OFFERED BY LDCS.
MTC DELS AGREED FURTHER TO COORDINATE ACTIONS THIS SUBJECT AT MEXICO CITY MEETING.

C. ECOSOC ACTION ON CONTAINER STANDARDS. US DEL (WEBB) REPORT ON RECENT ACTION BY ECOSOC ECONOMIC COMMITTEE TO ESTABLISH AD-HOC GROUP IN UNCTAD TO REVIEW WORK OF ISO ON CONTAINER STANDARDS CAME AS COMPLETE NEWS TO OTHER DELS. AFTER DISCUSSION OF RAMIFICATIONS OF ECOSOC ACTION, MTC DELS (WITH POSSIBLE EXCEPTION OF GREECE) PROFFERED NO OPPOSITION TO UK AND CANADIAN SUGGESTIONS THAT (1) MATTER BE RAISED AT IMCO COUNCIL THIS WEEK TO ASCERTAIN WHETHER IMCO COULD NOT OBTAIN LARGER ROLE IN CONTAINER STANDARDS REVIEW WORK AND (2) OECD DELS TO ECOSOC BE INSTRUCTED TO EXPLORE POSSIBLE LIMITED OFFICIAL USE

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BILITY OF REVERSING OR AT LEAST TEMPERING ECONOMIC COMMITTEE DECISION WHEN IT COMES BEFORE ECOSOC PLENARY. ACTION REQUESTED: CABLE TEXT OF ECONOMIC COMMITTEE DECISION TO LONDON FOR USE OF WEBB AT IMCO COUNCIL MEETING BEGINNING MAY 21.

5. ELECTION: JORGEN WORM OF DENMARK RE-ELECTED CHAIRMAN; NEW VPS ARE GEORGACOPOULOS OF GREECE AND ROWLAND OF AUSTRALIA

6. LAW OF SEA CONFERENCE: UNDER AGENDA ITEM 5, CHAIRMAN DIRECTED MTC'S ATTENTION TO NUMBER OF IMPORTANT SHIPPING POLICY ISSUES INVOLVED IN LOS CONFERENCE, SUGGESTED CONSULTATION AMONG SHIPPING EXPERTS AT CARACAS WOULD BE USEFUL, AND ASKED HOW MANY OECD COUNTRIES WOULD HAVE SHIPPING POLICY EXPERTS AT CARACAS. FIVE DELS REPLIED AFFIRMATIVELY TO LATTER QUESTION, FIVE OTHERS REPORTED THEY WOULD HAVE LEGAL PEOPLE FROM THEIR SHIPPING OR TRANSPORT MINISTRIES, AND OTHERS DID NOT KNOW. SEVERAL DELS NOTED THAT EXTENSIVE COORDINATION MACHINERY ON LOS ALREADY EXISTS BUT MOST APPEARED FAVORABLE TO INFORMAL CONSULTATIONS AT CARACAS ON SHIPPING POLICY ISSUES.

7. BUNKERING AND NUCLEAR SHIP DEVELOPMENTS: UNDER AGENDA ITEM 6, RE-EXAMINATION OF BUNKERING PROBLEMS, FRENCH REP (LEONARD) STATED VIEW THAT SECRETARIAT COSTS PROJECTIONS IN PART 2 OF DAF/MTC/74.18 OVERSTATED BUNKER COST INCREASE IN RELATION TO OTHER COST INCREASES. LEONARD STATED RECENT INFLATIONARY TRENDS IN SHIPBUILDING AND OPERATING COSTS LIKELY TO CONTINUE. WEBB CITED PART 3 OF SAME DOCUMENT ON RENEWED INTEREST IN NUCLEAR SHIP PROPULSION AND NOTED VARIOUS EXISTING

ADMINISTRATIVE AND LEGAL OBSTACLES TO WORLD-WIDE INTRO-
DUCTION OF NUCLEAR MERCHANT SHIPS. MTC AGREED TO US
SUGGESTION THAT, IN LIGHT OF INTEREST OF SEVERAL
COUNTRIES IN NUCLEAR SHIP DEVELOPMENT, MEMBERS MAY
EXCHANGE INFO ON ABOVE-DESCRIBED OBSTACLES AT NEXT MTC
MEETING. SECRETARIAT NOTED CONCURRENT INTEREST OF OECD/
NEA IN SUBJECT AND WILL PROBABLY SEEK THEIR ADVICE
BEFORE CIRCULATING NOTE ON SUBJECT. (IN REPLY TO STATE
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101143, MISSION WILL FOLLOW UP WITH SECRETARIAT ON

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THIS MATTER AND FORWARD INFORMATION AS IT BECOMES
AVAILABLE).

8. SHIPPING POLICY DEVELOPMENTS: MAIN TOPIC, US
OIL IMPORT CARGO PREFERENCE BILL, REPORTED SEPTEL,
OECD 11914. IN RESPONSE WEBB'S CORRIDOR INQUIRY,
FRENCH DEL STATED THAT GOF NO LONGER HAS RESERVATION TO
OECD LIBERALIZATION CODE FOR FRENCH OIL IMPORT PRE-
FERENCE LAW, BECAUSE GOF GRANTS ALL REQUESTS FOR EX-
CEPTIONS TO LAW. HE ALSO SAID THAT APPROXIMATELY
40 PERCENT OF FRENCH OIL IMPORTS NOW CARRIED IN FRENCH-
FLAG VESSELS, ALTHOUGH LAW FORMALLY SETS HIGHER PER-
CENTAGE.

9. DATES OF NEXT MEETINGS: NEXT MTC WILL BEGIN
OCT. 23, FOR ONE-AND-HALF DAYS, FOLLOWED OCT. 24 BY
WORKING GROUP ON CONTAINER TRANSPORT (TO COORDINATE
FOR UNCTAD INTER-GOVERNMENTAL GROUP ON INTERMODAL
TRANSPORT), ALSO FOR DAY-AND-HALF. NEXT MTC SPECIAL
GROUP MEETING JUNE 25-28 TO PREPARE FOR SUMMER MEET-
ING OF UNCTAD COMMITTEE ON SHIPPING AND ALSO SUBJECTS
DESCRIBED PARAS 2 AND 3 ABOVE. SPECIAL GROUP WILL BE
PRECEDED BY HALF-DAY MEETING MONDAY AFTERNOON (JUNE 24)
OF MTC AD HOC GROUP ON FLAGS OF CONVENIENCE.
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Message Attributes

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Disposition Approved on Date:
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